

**STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN**

Re: Regulation of Prepaid Calling Card Services, Declaratory Ruling and Report and Order, FCC 06-79, WC Docket No. 05-68 (June 1, 2006).

I support this Order, which further clarifies the Commission's rules for prepaid calling card services and takes another step to solidify the base of contributions to the universal service fund. Universal service is one of the bedrocks of telecommunications policy, and the Commission is charged with ensuring that it is on solid footing.

This is the Commission's second Order addressing the regulatory status and universal service obligations of calling card providers. When we adopted the original calling card order, last spring, I called on the Commission to act quickly to determine the regulatory treatment for the two remaining calling card variants: menu-driven cards and cards that utilize IP transport. So, I'm pleased that we clarify today that all prepaid calling cards will be subject to a level regulatory playing field.

This Order finds that these additional calling card services are telecommunications services, a decision that was widely supported in the record. I do have concern about the Commission's decision to limit retroactive application of our decision for menu-driven services. Commenters made strong arguments that the Commission should have taken a more fact-specific approach for these services, given the equitable nature of our finding and the Commission's history with this issue. I approve this Order, however, because I support our effort to clarify going-forward the regulatory status and obligations for calling cards. With this Order, we eliminate any lingering uncertainties, which should redound to the benefit all providers.